

# This Computes!

Department of Health Services  
Children's Medical Services Network  
(CMS Net) - Information Bulletin #165



## Claim Denial Reason 314 Patient not Eligible for Month of Service **\*\*REVISED\*\***

Large numbers of claims for CCS Only children continue to be denied at EDS due to the child not having CCS eligibility on the date of service. Many of these denials are correct. The majority of the denials are for children who have been set up in CMS Net with aid code 9N based on their eligibility for Full Scope No Share of Cost Medi-Cal. However, if the child's family income subsequently changes, Medi-Cal may impose a share of cost. If the share of cost is not met any claims submitted will deny at EDS. These situations could be avoided if all county CCS programs proactively afford the families of children with Full Scope, No Share of Cost Medi-Cal the opportunity to complete CCS program eligibility. If this takes place, the result will be that virtually all such children will appropriately be assigned aid code 9K and will be able to continue to receive CCS services even though their share of cost is not met.

Also a number of children have been identified who have been set up in CMS Net with aid code 9N based on Emergency Medi-Cal eligibility. If a claim for services provided to one of these children is not for an emergency service as identified by the provider and confirmed as such in the claims processing system the claim will deny. These denials would not occur if the county CCS program had followed CCS policy and conducted a financial eligibility determination and correctly assigned aid code 9K to clients with Emergency Medi-Cal. Children referred to CCS who have emergency Medi-Cal eligibility should never be assigned aid code 9N. They should only be assigned aid code 9K when all CCS program eligibility requirements are met. **The exception to this is for a new born, for these children the procedure in This Computes! No. 162 should be followed.**

Claims for children who have been set up with a 9R and billed with a SAR are also denying if on the date of service the child no longer has Healthy Families (HF) eligibility. Currently providers can not determine that the HF eligibility has been lost so they are billing and having claims deny. As with the 9N aid code we have suggested that counties insert the message in the Special Instruction box on the SAR reminding

the provider that the child is only eligible if Medi-Cal eligibility (for the 9N) or HF eligibility (for the 9R) is also present. Failure to put this message on the SAR puts the provider at risk of providing services only to have them denied at EDS. **Please refer to [CCS Numbered Letter No. 19-0605](#) for more information.**

We have also identified what appears to be a system processing problem that is causing some CCS/HF claims to deny in error with the 314 denial message. This happens when the child changes HF plans and the dates of enrollment overlap. In these cases the only way a claim can be paid is for it to be processed as a Legacy claim even though a SAR was issued. The SAR can not be used on the claim and it must be processed in the Legacy format. It is possible that you will receive claims from providers who have had denials for this reason; you should accept resubmitted claims from the provider and process as Legacy claims even though there is a SAR. As soon as this problem is corrected we will let you know.